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CANADA AND THE DINGLEY BILL.

BY JOHN CHARLTON, M. P., CANADIAN HOUSE OF COMMONS.

THE United States is a self-engrossed nation. Its progress has been marvellous. The advance from a population of 3,900,000 to one of 72,000,000 in 107 years, the spread of settlement from the Atlantic seaboard border over the broad areas of the Mississippi Valley, and to the far-distant line of the Pacific coast, and the great development in agriculture, manufactures, and commerce, have been secured at the cost of energetic and devoted application to the work of nation building. The founding and development of States; the careful evolving of political institutions from the plastic materials ready at hand; the settling of the great issue between slavery and freedom on the forum, in the legislative hall and on the battle-field, and the subsequent decision of important questions have left little time and developed scant taste for attention to matters outside of the Union save as they came into immediate contact with American interests.

Facing the northern border of the United States a nation is rising above the political horizon. Its goings forth are modest as yet, but its institutions have rounded into form, and a compact confederation has taken the place of disjointed and jealous colonies. A government formed upon the British model gives to it free and stable institutions and power of cohesion, while the erection of separate provincial governments insures provincial autonomy and provincial control of local questions and interests. A written constitution confers upon the Dominion government its powers, and carefully defines the respective spheres of action of federal and provincial organizations.

In all of its political, social, and business interests this young nation must come into contact with the United States. Perhaps no question having to do with the problems of the future is en-

titled to command closer attention in both of these communities than what the nature of this impingement is to be, and the people of the United States may profitably spend a little time in arriving at an intelligent estimate as to the extent, resources, character, and probable future of this northern neighbor.

Close investigation will inevitably develop some startling facts. Rudyard Kipling styles Canada "Our Lady of the Snows." Canada repudiates the title, and points to the fact that she has a million square miles of arable land, with a climate suitable for the production of the cereals, and that from the products of her own soil she can easily sustain a population of 75,000,000. The great undeveloped wheat-growing area of the continent is in her Northwest Territories, embracing the valleys of the Red and the Assiniboine rivers, the valley of the great Saskatchewan, and more than 300,000 square miles in the Athabasca and Peace River districts of the great Mackenzie basin. Throughout this district latitude does not fix the location of summer isotherms, and isothermal lines curve sharply to the northwest west of Lake Superior. At Prince Albert, upon the Saskatchewan, wheat is less liable to injury from frost than in the wheat districts of Manitoba, and the same is probably true of the districts that invite cultivation in the Peace and Athabasca River valleys. The opening of spring, the blooming of spring flowers, and the bursting of the buds of deciduous trees are just about simultaneous at Ottawa, St. Paul, Winnipeg, Fort Dunvegan, on Peace River, in latitude 56.40, and even still further north, on the Laird River, and the Great Slave Lake, in latitude 60. Next to the Mississippi, the Mackenzie is the greatest river upon the continent. It is the outlet of great inland seas, having a coast line of 4,000 miles, and an area equal to that of the great lakes on the northern border of the United States. This vast basin, with its outlet in the Arctic Ocean, though much inferior in agricultural capabilities to the Canadian region south of it, is estimated, after careful consideration of the testimony of explorers, geological survey parties, missionaries, and Hudson Bay factors and employees, to contain 300,000 square miles suitable for wheat, 400,000 suitable for barley, 650,000 suitable for potatoes, and 860,000 suitable for pasturage; and of the 1,260,000 square miles contained in the basin, 400,000 square miles only comprise the treeless barren grounds over which vast herds of the cariboo and musk ox roam.

As exploration of the vast territory possessed by Canada progresses, its resources and value become more apparent. The interior of Labrador has been found to contain vast forests of valuable spruce. All the lakes of the far north teem with white-fish, and other valuable varieties. The rivers are stocked with salmon. Hudson Bay, a great Canadian *mare clausum* 900 miles long and 600 miles wide, contains great piscatorial wealth. On the head waters of the western affluents of the Mackenzie River is an auriferous region 150,000 square miles in extent. On the upper waters of the Yukon, in Canadian territory, the placers of the Klondike and other streams have yielded the first installment of their fabulous wealth. On the west side of the Rocky Mountains, a metalliferous region 1,300 miles long and 400 miles wide is rich in gold-bearing rocks, while north of Lake Superior and in the region surrounding the Lake-of-the-Woods great wealth of the precious metals is being developed. The older Provinces are rich in agricultural resources, timber, minerals, and fisheries.

The Canadian Northwest seeks emancipation from the burden of heavy freight rates to the Atlantic seaboard. The Hudson Bay Company has demonstrated the practicability of the navigation of Hudson Straits. The only question is as to the length of time these Straits remain open. A careful exploration is being made this year by the Canadian government, and if it be found, as is claimed, that navigation is practicable for four or five months in the year, the great wheat-growing areas of the Canadian Northwest will find a new avenue to England, and the wheat fields of the Peace River and Saskatchewan Valleys will be as near European markets as those of Illinois, Wisconsin, Iowa, and Minnesota.

A striking illustration of the facilities possessed by Northwestern Canada for internal communication is furnished by investigations made in connection with a project for reaching the Yukon mineral district by short lines of railway, and navigable stretches on a course known as the Harvey Route. By this proposed line, Moose Factory on Hudson Bay will be reached by a railway line of 250 miles from Missanabie on the Canadian Pacific Railway; thence by deep sea navigation down Hudson Bay 1,200 miles to the head of Chesterfield Inlet; thence by railway 175 miles to the navigable waters connecting with Great Slave Lake; thence by steamer route 1,400 miles to the mouth of the Mack-

enzie River, and thence by railway 50 miles to Porcupine River, a navigable tributary of the Yukon.

These statements, necessarily brief and in outline, may, it is hoped, rouse the curiosity of the reader, and lead to more extended investigations of the character and capabilities of the Great North Land, which, over a generation ago, William H. Seward declared was destined to become the Russia of America.

The geographical, ethnological, and physical conditions pertaining to the United States of America and the Dominion of Canada are of such a character as not only to invite intimate commercial and business relations, but to give to these relations such strength that hitherto the efforts of hostile fiscal legislation have not availed to destroy the commercial intercourse existing between the two peoples. The volume of business, of course, has been very seriously affected by legislation. The exports of Canada to the United States have remained nearly stationary since 1866, when the Reciprocity Treaty of 1854 was abrogated, but still transactions of great volume are engaged in. To the careful observer, indeed, the extent of these transactions furnishes a striking suggestion as to what their volume might be in case of uninterrupted commercial intercourse. The geographical and trade affinities between the two countries are of the most striking character. The Maritime Provinces of the Dominion form naturally a geographical and commercial part of the seaboard of the American Union. Ontario and Quebec are closely drawn by geographical conditions to the Middle and Eastern States. Manitoba and the great Canadian Northwest naturally gravitate to the Mississippi Valley, and, if legislative impediments did not intervene, would find their commercial centres in St. Paul and Chicago; and British Columbia is drawn by natural conditions in the direction of more intimate commercial relations with the American States of the Pacific slope.

As to the desirability of close commercial relations, a careful examination of the question leaves no room to doubt that such a condition of matters would be equally advantageous to both sections. If commercial barriers and fiscal restrictions between States, or between groups of States, in the Union would not be desirable, neither can it possibly be shown that such restrictions could be beneficial to any interest involved when applied to a group of States which, though north of the American

boundary line, form a natural part of the geographical whole to which the American Union belongs.

The provisions of the American Tariff Bill which became law on the 24th of July last, when contrasted with the tariff policy of the Dominion, must suffer by that contrast as regards the liberality of the respective measures. From the following epitome of the trade conditions of Canada for the fiscal year ending June 30, 1896, the last for which full returns have been received, it will be seen that the United States furnished Canada more than one-half of her total imports, and enjoyed access for manufactures and other dutiable goods into her market at a low average rate of duty, and had entry for a most satisfactory list of free goods.

SUMMARY OF CANADIAN EXPORTS AND IMPORTS; RATES OF DUTY, AND PERCENTAGES OF IMPORTS AND EXPORTS FROM DIFFERENT COUNTRIES FOR THE YEAR 1896.

Total imports for consumption in 1896	\$110,587,480
Total exports the produce of Canada	121,013,852
Total amount of duty collected upon imports	20,219,073
Percentage of duty on total value of goods imported—dutiable and free	18.28
Percentage of duty on total amount of dutiable goods entered for consumption	30.00

	From United States.	From Great Britain.	From all other countries.
Imports into Canada for consumption..	\$58,574,024	\$32,979,742	\$19,033,714
Percentage of total imports.....	53	28.08	18.92
Imports on free list.....	\$29,472,378	\$3,613,568	\$5,261,730
Dutiable imports	\$29,101,646	\$24,366,179	\$13,771,934
Percentage duty on entire amount of imports ..	13.26	22.31	26.75
Percentage duty on dutiable imports....	26.25	30.02	36.97
Amount of duty collected on imports...	\$7,767,992	\$7,358,514	\$5,092,567
	To United States.	To Great Britain.	To all other countries.
Exports Canadian produce from Canada	\$14,448,410	\$66,690,288	\$9,875,154
Balance of trade	\$14,125,614	\$33,710,546	\$9,159,560
	In favor of the United States.	In favor of Canada.	Against Canada.

This statement warrants the assertion that the Canadian fiscal

policy is marked by moderation in the percentage of duties levied, and that the results prove that the United States was not discriminated against, but that on the contrary it has a standing in the Canadian market more favorable to its interests than either Great Britain or other foreign countries.

An analysis of Canadian trade returns shows that of the enormous export of American products to the Dominion, a considerable proportion consists of manufactured goods. Of the free list of \$29,472,000, \$5,380,000 were manufactures; aside from the portion of unenumerated goods amounting to \$2,200,000, of which \$500,000 probably consisted of manufactures. The import of dutiable manufactures from the United States the same year amounted to \$21,500,000, inclusive of estimated amount of unenumerated goods classed as manufactures amounting to \$750,000, making a total of \$27,380,000, in round numbers, of manufactures imported into Canada from the United States in 1896. The total imports of Canada from Great Britain for the same year for consumption were \$32,979,000, and the amount of manufactures imported from England was little, if at all, in excess of the amount imported from the United States. This statement warrants the assertion that Canada is the best customer that the United States possesses for the product of her mills and factories; and it will perhaps awaken reflection in the mind of the American statesman to be informed that when Canada seeks to place the products of her own labor in the American market in exchange for this enormous amount of manufactured goods, one-fourth of which comes into Canada free of duty, and the balance of which pays an average duty of less than 27 per cent., she is graciously permitted to make the exchange upon condition that duty is paid at the rate of \$2 per thousand feet on lumber; 100 per cent. on barley; 27 per cent. and upwards on cattle; \$30 per head on horses and mules; \$1.50 per head on sheep; 45 cents per bushel on malt; 45 cents per bushel on beans; 70 per cent. on butter and cheese; 50 per cent. on hay; 75 per cent. on onions, and other agricultural and animal products in proportion.

A comparison between the amounts of importation from the United States and from Great Britain of certain classes of dutiable goods, will be suggestive as to the items in which the United States seems to command an advantage over England in

the Canadian market. A few of the chief items presenting strikingly this contrast are given:

IMPORTS INTO CANADA FOR THE YEAR 1896 OF CERTAIN CLASSES OF DUTIABLE GOODS FROM GREAT BRITAIN AND FROM THE UNITED STATES.

	Great Britain.	United States.
Bicycles, tricycles and parts thereof.....	\$134,876	\$916,225
Books, periodicals, etc.....	219,012	507,308
Brass and manufactures thereof.....	41,388	264,147
Clocks, clock movements, etc.....	6,345	85,788
Carriages of all kinds.....	3,287	308,127
Copper and manufactures thereof.....	8,288	69,227
Electric apparatus, etc.....	6,581	294,806
Drugs, dyes, chemicals, etc.....	247,881	603,927
Fertilizers.....	1,162	42,194
Gold and silver, manufactures of.....	67,892	222,036
Gunpowder and explosives.....	23,939	112,186
Inks.....	19,641	55,881
Iron and steel, manufactures of.....	2,351,518	5,630,499
Jewelry of gold, etc.....	38,628	231,265
Leather and manufactures thereof.....	113,567	1,037,431
Marble, manufactures thereof.....	4,742	68,266
Metal and manufactures thereof.....	61,288	231,006
Musical instruments.....	19,854	208,504
Paper and manufactures thereof.....	254,072	672,448
Post-office parcels and packages.....	72,828	269,955
Twine, all kinds, and manufactures thereof.....	61,288	179,193
Tinware.....	4,316	58,682
Watches and parts thereof.....	6,738	246,853
	\$3,769,031	\$12,315,954

It is evident from the foregoing statement that the Dominion of Canada furnishes a field for the introduction of American manufactures which is worth cultivating, and the fact should impress itself upon the American manufacturers that this field, which is close at hand and promises, if properly cultivated, rapid expansion of business, can be fully retained only upon conditions of mutual advantage. The leaders of the Liberal party, which came into power in June, 1896, have always desired to promote more liberal trade relations between the two countries. At the very opening of their overtures in that direction they were met by the Dingley bill. If it is supposed that Canada will continue to furnish a free list for American manufactures, consisting largely of drugs, dyes, chemicals, nets, seines, lines and twines, metals, iron and steel and manufactures thereof, and other articles, to the extent of some \$6,000,000, and a market for American dutiable manufactures to the extent in round numbers of \$21,500,000 at a moderate average rate of less than 27 per cent., and will submit to having its own importations into the United States, sent in

exchange for these products, taxed as under the provisions of the Dingley bill, the reckoning is made without the consent of the host. The adverse balance of trade of \$14,125,000 a year existing under the Wilson bill, and the aggravated conditions likely to result from the Dingley bill, will in that case demand a solution upon one of two lines—one of which the American government must select—either the increase of our exports to the United States to an extent commensurate with our imports from that country, and on conditions as favorable as those upon which American imports are received into Canada; or a diminution of our imports from the United States through sharp and effective discrimination in favor of the mother land.

Last year the Canadian balance of trade against Great Britain was \$33,750,000. This is Jubilee year. Overtures have been made for the consolidation of the Empire. The principle of fair play would undoubtedly give to England better conditions in our markets than she has hitherto enjoyed, and the application of the same principle to our relations with the United States would imperatively demand very radical changes in the American fiscal system as relating to ourselves.

During the fiscal year of 1896, while we gave the United States, as before stated, a free list of \$29,472,000, we received from the United States a free list of less than \$20,000,000. This amount the Dingley bill has cut down by transferring from the free to the dutiable list forest products, hides, wool, and minor articles. The result will be that our free list under the new tariff will, in all probability, fall considerably below \$5,000,000. If it is supposed that Canada will rest content to give a free list of \$29,500,000 in exchange for one of \$5,000,000, that anticipation will hardly be realized.

An impression prevails in the United States that Canada is dependent upon that country for a market for its agricultural, animal, mineral, and forest products. It is true that the mineral products of Canada do find a market almost exclusively in the United States. Our forest products were marketed for the year 1896 in different countries in the following proportions :

British Empire.....	\$12,530,000
United States.....	13,528,000
All other countries.....	1,117,000

Canada, prior to 1890, imposed an export duty upon logs de-

signed for American sawmills. In 1890 logs were exempted from export duty in consideration of a reduction of the lumber duty to \$1. No objection would now be made to the free export of sawlogs and of pulp wood for the use of American mills, if the lumber duty were placed at \$1 per thousand feet. The export of sawlogs and pulp wood, which has reached \$3,000,000 per annum and will rapidly increase, might justly be considered a fair compensation for free lumber, and beyond question a \$1 American import rate upon lumber with no Canadian export duty on logs and pulp wood would give to the United States the best of the arrangement.

In agricultural products, and animals and their products, the condition of the trade between the two countries is not such as is generally supposed. Since 1866 these products have been subjected to duties more or less heavy upon entering the United States. This the American farmer has been made to believe was necessary for his protection from the cheap products of the soil of Canada. The parties in favor of a protective policy who were the real beneficiaries of the measure, but who would be in a hopeless minority on a popular vote, secured the co-operation of the American farmer by ringing all of the changes upon the alleged necessity for this protection, which has proved almost entirely a delusion. If the Canadian farmer is denied access to the American markets for products, the surplus of which both countries are marketing in England, the theatre of competition between the two countries will merely be transferred from the United States to the English market. In fact, the practical result of the American agricultural duties has been to force the Canadian farmer into this competition in England, and to teach him that he is quite able to compete with his American brother, and in some instances he has achieved most decided successes. Indeed, the application of the extreme protective policy to farm products by the United States has proved in some instances a blessing in disguise to the Canadian, by emancipating him from dependence upon that country. This fact is most strikingly illustrated in the lines of hog products and cheese. Being excluded from the American market by heavy duties upon pork and swine, the farmers and packers of Canada set about ascertaining what grade of goods would best suit the English taste, with a determination to shape their business in such a way as to meet that

taste. The result is that Canadian bacon and hams so far lead the American product in the English market that, during all of the present season, hogs have been worth at railway stations throughout the Province of Ontario on an average twenty-five per cent. more than in the stock market at Buffalo or Chicago, and the business of furnishing meats to England is growing with phenomenal rapidity. In the cheese market the Canadian cheese maker has largely supplanted American cheese in Great Britain, and the exports of that article for the fiscal year 1897 have reached the sum of \$15,262,000; \$15,232,000 of which goes to Great Britain. With the ambition and courage springing from successes already secured, Canada now reaches forth for the same vantage-ground in beef, butter, eggs, small fruits, and other farm products. The Canadian producer will be met by the good-will of the English consumer, who will give him the preference, other things being equal. To render the success of this movement more probable the government has embarked in the business of aiding to furnish cold storage at creameries, on railroad trains, and on steamship lines, so that meats, butter, eggs, poultry, and other perishable articles can be laid down at English and Scotch centres in prime condition.

The trend of business is very well illustrated by the trade returns of 1896 as applied to agricultural products, and animals and their products. In that year our export of agricultural products, the produce of Canada, to the United States was \$3,233,000; our import of agricultural products from the United States entered for consumption was \$3,262,000 on the dutiable list and \$5,263,000 on the free list—a total of \$8,526,000, which included raw cotton, and unmanufactured tobacco to the extent of \$4,108,000. During the same year our export of animals and their products to the United States, the produce of Canada, amounted to \$3,341,000, while our imports of animals and their products from the United States for consumption amounted to \$851,000 on the dutiable list, and \$2,873,000 on the free list—an amount of imports in this line in excess of our exports to the United States of \$383,000. This effectually disposes of the claim that Canada is dependent upon the United States for a market for animals and their products, and for agricultural products, the truth being that under the influence of repressive American tariff rates the trade has been forced away from the United States,

and the period of our complete emancipation from that country in these two lines is near at hand.

The export of agricultural products and of animals and their products, the produce of Canada, to Great Britain for the year 1896 were as follows :

Export of agricultural products, the produce of Canada, to Great Britain, 1896.....	\$9,551,316
Export of animals and their products, the produce of Canada, to Great Britain, 1896.....	32,523,071
	<hr/> \$42,074,387

It would of course be advantageous to Canada to obtain access to the American market for barley, beans, vegetables, live stock, and various other items of farm products, but if debarred from such entry the Canadian farmer can simply turn his attention to the production of other articles suitable for the English trade, and perhaps on the whole he will be nearly as well off as he would be with an open American market. At the present time there is good ground for the assertion that the Canadian farmer is in a better position than is the farmer of the United States.

It was anticipated that the reciprocity section of the Dingley bill would contain provisions opening the way for entering upon negotiations with the Executive and the Senate of the United States for a broad and liberal reciprocity treaty. When the reciprocity provision was inserted, after the bill had been reported to the Senate by the Finance Committee, it provided :

“For the transfer during such period (five years) from the dutiable list of this Act to the free list thereof, of such goods, wares, and merchandise, being the natural products of such foreign country or countries, *and not of the United States.*”

Representations were at once made to the Conference Committee, to the President, and to the Secretary of the Treasury, that the natural products of Canada and of the United States were the same so far as Canada was concerned, and that under the provision above quoted Canada was barred from even attempting to enter upon negotiations for a reciprocity treaty that would cover a single natural product of the country. The provision was nevertheless retained, and now Canadian statesmen will ruminate upon the question whether the United States government is to be understood as shutting the door in the face of Canada, and telling her to be gone, and to cease from pester-ing men who have more important matters to attend to, with

senseless twaddle about better feeling and more liberal commercial relations.

It seems probable, in view of the fact that intimate trade relations between Canada and the United States would obviously be so highly advantageous to both countries, that, acting under the mistaken idea that the American market is absolutely necessary to Canada, repression and high duties have been resorted to for the purpose of convincing the Canadian that if his country desires the great advantages which an immense market close at hand would confer, it must surrender its political autonomy and come into the American Union. If this motive has dictated the policy pursued, the fruits are certain to be diametrically opposite to the result it has been sought thereby to attain. No more potent influence than the Dingley bill can be called into action for the purpose of rendering harmony, good will, and, much more, political union impossible. The Anglo-Saxon does not respond readily to coercive measures. The average Canadian can have no knowledge other than theoretical as to the advantages in a commercial or material sense that political union would confer upon him, for the period of commercial intimacy and broad liberal trade relations between the two countries passed away thirty-one years ago, and he has had no object lesson to impress his mind with the advantages to be derived from continental free trade. As to the political benefits arising from political union, he is sceptical beyond the power of conviction, believing that his own form of government, founded upon the British model, is the best that exists upon this continent. Any idea that the Dominion can be starved into an aspiration for different political conditions is utterly chimerical.

The Liberal leaders of Canada desire most cordial and friendly relations of a social, political, and business character with the United States. They are prepared to meet that country half way in the liberal arrangement of duties and adjustment of commercial relations. They sincerely desire to make use of the influence of Canada for the purpose of promoting better relations between the two great branches of the Anglo-Saxon family. They do not believe that political union is essential to the promotion of the best interests of the Anglo-Saxon race upon the American continent. They do believe that all the commonwealths springing from the English stock, and speaking the English language,

may with advantage to themselves and to humanity at large act in concert ; and that no diversity of interests exists of a character that need in the slightest degree interfere with the consummation of such a relationship between the British Empire and America. We ask American public men to consider carefully the conditions that confront the United States and Canada as concerns their relations with each other ; to meet us in a spirit of friendliness, and to remember that their great superiority in wealth, population, and power gives to them such advantage in position and influence that they can afford to treat us with generosity, with the well-grounded assurance that the fruits of such a policy will in the future be abundant and satisfactory.

JOHN CHARLTON.